

CITY OF MORGAN HILL
SPECIAL CITY COUNCIL AND
SPECIAL REDEVELOPMENT AGENCY MEETING
MINUTES - MAY 10, 2000

CALL TO ORDER

Mayor Pro Tempore/Agency Member Tate called the meeting to order at 6:34 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Chang, Cook, Sellers, and Tate
Late: Mayor/Chairman Kennedy (arrived at 6:36 p.m.)

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council/Redevelopment Action

CLOSED SESSION:

Interim City Attorney/Agency Counsel Leichter announced the following closed session items:

1.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority: Government Code 54956.9(a)
Title of Case: Larry Farrow v. Paradise Motel et al.
Case No. C99-20527 JW-EAI
Attendees: Council Members; Interim City Manager; Interim City Attorney, Police Chief

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority: Section 54956.9(a)
Case Title: Morgan Hill Unified School District v. Minter & Fahy
Case Number CV 772368
Court: Superior Court, County of Santa Clara
Parties: Morgan Hill Unified School District, Minter & Fahy, Ameron International, City of Morgan Hill
Subject of Litigation: Fuel Leak
Closed Session Topic: Case status
Attendees: Councilmembers; Interim City Manager; Interim City Attorney; Public Works Director; Mark Strombotne, Esq.; Sharonrose Cannistraci, Esq.

3.

PUBLIC EMPLOYMENT

Legal Authority: Government Code Section 54957
Title: Interim City Manager
Attendees: Mayor and City Council and Interim City Attorney

Mayor Pro Tempore/Agency Member Tate opened the closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor Pro Tempore/Agency Member Tate adjourned the meeting to closed session at 6:36 p.m.

Mayor Kennedy entered and joined the City Council/Agency Commission in closed session.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 7:12 p.m.

CLOSED SESSION ANNOUNCEMENT

Interim City Attorney/Agency Counsel Leichter announced that no reportable action was taken on the above the closed session items.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor Kennedy, Mayor Pro Tempore Tate led the Pledge of Allegiance.

PROCLAMATION

Mayor Kennedy presented Director of Public Works Ashcraft with a proclamation, declaring May 21 through May 27, 2000 *National Public Works Week*.

CITY COUNCIL REPORT

Council Member Chang indicated that two main issues have been discussed in the last two SCRWA meetings: 1) Wetlands - because of the affluent problems that faces the area, SCRWA is looking at wetland design. The SCRWA Board was unanimous that it is a good concept that should be investigated. 2) An audit was prepared for the operation of the sewer treatment plant. The audit outcome was a positive one. The report states that the management of the sewer plant management is very efficient, cost effective, the facility is well maintained and in compliance with all applicable air and storm water regulations. She congratulated previous Board Member Mayor Kennedy and Vice-chairman Cook for their leadership that resulted in a glowing report. The Board distributed the financial plan for the next five years. She indicated that comments are due to the Board prior to their May 23 meeting. She indicated that the Board would meet to pass the budget and would require the city to pass a budget. She forwarded the report to the City Manager and requested that it be distributed to Council Members. She indicated that VTA discussed installation of trails across the street from the library. She felt that this project will be moved up to a higher priority level by the VTA Board.

Mayor Kennedy asked if there were any financial decisions that the Board Members will have to make that will impact the city?

Council Member Chang indicated that Morgan Hill will be paying 46% instead of 48%.

Mayor Kennedy asked if the Council should have this item agendaized for discussion before the SCRAW Board acts on this issue? Council Member Cook clarified that the SCRAW Board will approve the budget first and then the budget will come to Morgan Hill and Gilroy's City Council for approval.

Interim City Manager Tewes informed the Council that the numbers will be included in the proposed budget to be presented to the City Council on May 24. The Council will have the opportunity to discuss SCRAW's budget in any event.

Council Member Cook noted that no major capital projects are proposed next year.

Mayor Kennedy said that the change in the percentage should be discussed by the City as this is a major ongoing expense, depending on the percentage.

Council Member Cook said that the information provided to SCRAW Board Members shows that in the next year or two, Morgan Hill's share in the operational cost will start to decrease.

Mayor Kennedy recommended that the City's representative to the SCRAW Board (Cook and Chang) work with the City Manager. If there are significant changes that might impact the budget, the City Council should participate in discussions.

Council Member Chang requested that staff investigate the rotation schedule of the Finance and Audit Committee.

INTERIM CITY MANAGER'S REPORT

Interim City Manager Tewes reported that workshops will be held to discuss the final design of the Community and Cultural Center on May 11 at 7:00 p.m. to be held in the Council Chambers and May 13 at 10:00 a.m. to be held in the Grange Hall. He invited the community to the following grand openings: Community Ballfields, Saturday June 3 at 11:00 a.m.; Nordstrom Park - June 7, 2:00 p.m. (a ceremony in conjunction with the elementary school) and June 10, 11:00 (a community open house). He indicated that at the Council's last meeting, there was discussion about having an extensive public hearing this evening of the potential use of the Our Father's House adjacent to the Community Park. Staff wanted to conduct the public hearing this evening to hear everyone's views. However, the owners/sellers of the property are unable to sell the property to the City of Morgan Hill because they have legally binding contracts with other purchasers. For this reason, the city has declined to proceed with land acquisition and thus the reason that this item is not on the agenda.

Mayor Kennedy indicated that he would not be in attendance at the June 10 Nordstrom Park grand opening as he will be attending a Mayors' conference to be held in Seattle. He stated that he would

be attending the Nordstrom Park grand opening ceremony on June 7. He also indicated that a minor celebration will be held to celebrate the installation of the traffic light at Cosmo and Monterey, Friday, June 12 at 9:00 a.m.

INTERIM CITY ATTORNEY'S REPORT

Interim City Attorney Leichter stated that she did not have a City Attorney's report to present this evening.

PUBLIC COMMENT

Mayor Kennedy opened the floor to public comment. No comments were offered.

City Council Action

CONSENT CALENDAR:

Council Member Sellers requested that Agenda Item 1 and 3 and Council Member Cook requested that Agenda Item 4 be removed from the Consent Calendar.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Chang, the City Council unanimously (5-0) **approved** consent calendar item 2 as follows:*

2. AWARD OF CONSTRUCTION AND CONSTRUCTION MANAGEMENT CONTRACTS FOR THE NORDSTROM PARK WELL DIANA WELL NO. 3

Action: *1) **Awarded** Contract to F&M Engineering Contractors, Inc. for the Construction of the Nordstrom Park Well Pump Station and the Diana Well No. 3 Pump Station in the Amount of \$556,000 and 2) **Awarded** Contract to Luhdorff & Scalmanini for the Construction Management of both wells for a Total Cost of \$31,768.*

1. BI-ANNUAL VACANCY RATE SURVEY

Council Member Sellers felt that it was important to note that the vacancy rate is as low as it is with only two units available at time the survey was completed. He felt that housing continues to be a critical issue in the community and that rental housing is a vital part of the community.

Mayor Kennedy asked staff if there are apartment projects in the pipeline? He also asked if there is any hope for the construction of affordable/rental units? Director of Business Assistance and Housing Services Toy said that Murphy Ranch (64 units) is in the pipeline.

Director of Community Development Bischoff informed the City Council that Via Ciolino is the only affordable project in the pipeline. He indicated that rental projects do not fair well under Measure P as do market rate units.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate,*

*the City Council unanimously (5-0) **Established** the Bi-Annual Vacancy Rate for April 2000 at .26% as Recommended by the Planning Commission.*

3. DELEGATION OF AUTHORITY TO CITY MANAGER FOR CABLE TELEVISION ADMINISTRATION

Council Member Sellers requested an update regarding the number of channels the public can expect to be carried in the next weeks or months.

Environmental Programs Manager Eulo said that Charter Communication has indicated that they have every expectation to turn on the new system on July 5 and that the vast majority of cable customers will have 20 or more additional channels.

Mayor Kennedy said that there still seems to be some concern with service delivery. Mr. Eulo said that he has received a few calls recently, some of which are related to the rebuilt and some are not. He requested that anyone who is having a problem with their cable system and the problem is not resolved with Charter Communications that he be contacted.

Mayor Kennedy recommended that residents be notified of planned outages. Mr. Eulo informed the City Council that Charter Communications is required to notify the City and customers in advance to planned outages.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) **Delegated** the Authority to Impose Remedies, That Do Not Include Franchise Termination, on Cable Television Providers to the City Manager.*

4. CONSIDERATION OF AMENDMENT TO THE INTERIM CITY MANAGER/EXECUTIVE DIRECTOR AGREEMENT WITH J. EDWARD TEWES

Action: *By consensus, the City Council **deferred action** on this item to later in the agenda.*

PUBLIC HEARINGS:

5. PROPOSED MADRONE BUSINESS PARK ASSESSMENT DISTRICT NO. 2000-1 - Resolution Nos. 5379, 5380 and 5381

Director of Finance Dilles presented the staff report.

Council Member Cook indicated that she has worked with staff during the intervening week to answer her questions. She stated that she still has a question about the appraisal of the project and the fact that it was prepared based on a tentative map and not a final map as it exists. She said that the assessment has a unique number of assumptions. She asked if the bond counsel sees this as a liability to the city in any respect as it may be over representing the statement to the potential bond owners?

Rick Kiss, U.S. Bancorp, Piper Jaffray, underwriters for the assessment bonds, stated that he worked with the appraiser on deriving the appraisal methodology and that the appraiser comes up with the value. He said that by the time the bonds are issued, tentative maps will be approved for all 22 parcels in the district while legally, there will be three legal parcels at the same time. He stated that he is comfortable in making the assumption that the final map will be processed because it would be in the developers best interest to do so. From past experience, he indicated that there will not be a problem in the bond market or in selling of the bonds. He said that this is a very common assumption in assessment district appraisals.

William Strausz, Special Counsel, reiterated that it is customary and common for official statements, with respect to assessment bonds, to provide for these types of assumptions. Buyers of assessment bonds expect that an appraisal will contain these type of assumptions.

Mayor Kennedy opened the public hearing. No comments were offered.

Mayor Kennedy requested that the ballots which have not yet been submitted, be submitted at this time. He requested that the ballots be tabulated and the results of the ballot announced.

Director of Finance Dilles announced the ballot results and indicated that the ballot results show 100% approval for the formation of an assessment district.

No further testimony being offered, the public hearing was closed.

Action: *On a motion by Council Member Chang and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 5379 Making Certain Findings and Taking Certain Actions in Connection with Proposed Assessment District No. 2000-1 (Madrone Business Park).*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Cook, the City Council unanimously (5-0) **Adopted** Resolution No. 5380, Ordering Modification to the Engineer's Report, Approving the Engineer's Report as so Modified, Confirming the Assessments and Ordering Proposed Improvements to be Made in Connection with Assessment District No. 2000-1 (Madrone Business Park).*

Action: *On a motion by Council Member Chang and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No 5381 Authorizing the Issuance of Not to Exceed \$13,705,000 Aggregate Principal Amount of City of Morgan Hill, Assessment District No. 2000-1 (Madrone Business Park), Limited Obligation Improvement Bonds, Series 2000 and the Execution and Delivery of a Fiscal Agent Agreement, a continuing Disclosure Agreement, a Purchase Contract and an Official Statement and Approving a Preliminary Official Statement.*

6. ZONING AMENDMENT APPLICATION ZAA 98-01: E. DUNNE AVE. - SHAW

Director of Community Development Bischoff presented the staff report. Mayor Kennedy opened

the public hearing. No comments were offered.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Continued** the Public Hearing to June 7, 2000.*

7. ZONING AMENDMENT APPLICATION ZA 00-03: COCHRANE-MORGAN HILL DEVELOPMENT PARTNERS - Ordinance No. 1476, New Series

Director of Community Development Bischoff presented the staff report.

Council Member Cook stated that she was surprised that there was no change in traffic associated with the change in land use. Mr. Bischoff informed the City Council that this is not a large piece of property and consists of only a few acres in size. He said that there may be some difference in trip generations, but that staff does not believe that it is significant or of a magnitude that would warrant additional mitigations or study.

Mayor Kennedy opened the public hearing. Gay Quinne, Venture Corporation, stated her concurrence with staff's and the Planning Commission's recommendation. No further input being offered, the public hearing was closed.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Cook, the City Council unanimously (5-0) **Approved** the Negative Declaration.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Waived** the Reading in Full of the Ordinance No. 1476, N.S. Approving the Zoning Amendment.*

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council **Introduced** Ordinance No. 1476, N.S. by Title Only as follows: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 545, NEW SERIES, AMENDING THE DEVELOPMENT PLAN FOR THE PLANNED UNIT DEVELOPMENT LOCATED ON THE SOUTH SIDE OF COCHRANE ROAD BETWEEN MONTEREY ROAD AND HIGHWAY 101. (ZA-00-02: COCHRANE-MORGAN HILL DEVELOPMENT PARTNERS (APN 726-32-015) by the following roll call vote: AYES: Chang, Cook, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

Action: *By consensus, the City Council/Agency Commission **agreed** to consider the last listed closed session Item No. 3 at this time.*

City Council/Redevelopment Agency Action

CLOSED SESSION:

Interim City Attorney/Agency Counsel Siegel announced the following closed session item:

3

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code section 54956.9(c) - One (1) potential case

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Kennedy opened the closed session to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to closed session at 7:55 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 8:36 p.m.

CLOSED SESSION ANNOUNCEMENT:

Interim City Attorney/Agency Counsel Siegel stated that no reportable action was taken on Closed Session Item 3.

8. ZONING AMENDMENT APPLICATION ZA-00-02: AMENDMENT TO CHAPTER 17.50 OF THE MUNICIPAL CODE REGARDING VESTING TENTATIVE MAPS

Director of Community Development Bischoff presented the staff report. Mayor Kennedy opened the public hearing. No comments were offered.

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Cook, the City Council unanimously (5-0) Continued the Public Hearing to May 24, 2000.*

4. CONSIDERATION OF AMENDMENT TO THE INTERIM CITY MANAGER/EXECUTIVE DIRECTOR AGREEMENT WITH J. EDWARD TEWES

Mayor Kennedy opened this item to public comment. No comments were offered.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously (5-0) Authorized the Mayor to Execute an Amendment to the Agreement with J. Edward Tewes, incorporating a 5% salary increase.*

OTHER BUSINESS (continued):

**9. PRESENTATION BY SANTA CLARA VALLEY WATER DISTRICT (SCVWD)
AND RESOLUTION OF SUPPORT FOR DISTRICTS "CLEAN SAFE CREEKS
AND NATURAL FLOOD PROTECTION PROGRAM" - Resolution No. 5382**

James M. Fiedler, Santa Clara Valley Water District, provided the City Council with a presentation regarding the importance of supporting the Water District's "Clean Safe Creeks and Natural Flood Protection Program." He indicated that local funding is included in the Program and that approximately \$1.1 million dollars would be the City's local share for flood protection, clean water, and to improve the eco-system, and to preserve and expand trails and parks. He presented the City Council with a break down of fees based on land use categories that were broken down by zones or geographic regions. He noted that residents in Morgan Hill pay a benefit assessment to the district of \$59 per year. This benefit assessment is due to sunset in June 2000 and be reduced to \$21 per year per residential parcel. Should the assessment tax pass in November, the assessment to Morgan Hill residents would be \$60 per year per. He felt that this would be a good program for South County based on the numbers presented. He requested that the City Council recommend to the Water District board place this item before the election in November. He indicated that thus far, support has been received from the Cities of Milpitas, Gilroy, Monte Soreno, Cupertino, and Los Altos. He indicated that the Water District has received the support from Silicon Valley Chamber of Commerce in San Jose and anticipates endorsements and supports from other groups. He noted that this is a 15 year program and that at the end of the 15 years, it would sunset to 0 with no debt service connection that would extend beyond the sunset point.

Council Member Sellers said that his neighborhood was recently invited to be in the flood zone. The assessment from the insurance carriers is at least 10 times what this program is if it passes. He asked how long would it be before residents like those in his neighborhood would be receiving benefits and be removed from a flood zone?

Mr. Fiedler responded that this is a 15 year capital program. He said that with the assistance of Federal and State funding, this time can be shorted or that the segments can be broken down to get relief as the project is built. He said that once the Llagas Creek project is completed, the Water District would work with FEMA and Morgan Hill to remove the flood zone designation.

Council Member Sellers stated that by dedicating resources within the community, it would be possible to accelerate improvements and partnering with the Water District and Federal and State agencies.

Council Member Cook said that the Water District has been working toward formulating this ballot measure for two to three years. The Water District held public hearings, conferences, and community meetings at the former St. Louise Hospital building a couple of years ago. Based upon what was heard from the public, the Water District was responsive to the concerns stated at the time. The Water District asked those in attendance how much of an increase would be supported over what is currently paid. The community indicated that they would support a \$1 increase. She said that should the Water District not place this issue on the ballot, starting next year, south county will not have any

new flood control programs other than minimum maintenance. She felt that it was important for individuals to realize the commitment that the rest of the county is willing to make to south county.

Council Member Sellers said that should the ballot measure pass in the south zone but fails in other areas, what would the result be? Mr. Fiedler stated that this is a county-wide ballot measure and that it would need to be approved county-wide in order to be successful.

Mayor Kennedy requested that Mr. Fiedler address the issue of efficiency of expenditure of funds and how well the Water District delivers on the revenues to be received. He felt that Morgan Hill has been slighted as far as benefits received. He noted that work was performed on the PL566 up to San Martin and not to Morgan Hill. He felt that the Water District has to do a better job on projects than what has been done in the past. He inquired as to the Water District's overhead costs in terms of service delivery.

Mr. Fiedler responded that he did not have the overhead rates but stated that the Water District has attempted to complete a water utility performance audit. The audit looked at ways of improving performance and efficiencies. He informed the City Council that based on the audit, the Water District recently went through a restructure to provide better services. The Water District is now embarking on a performance management program to attach performance goals and delivery of said goals. He said that currently, the water District has budgeted \$3.2 million for south county programs which includes Morgan Hill, Gilroy and San Martin. The programs would drop to \$1.6 million annually in June. This will result in a drop of revenue and a demand for greater efficiency (doing more with less).

Council Member Cook felt that the issue before the City Council is an integration of both the Water District's function as a flood control district and the water provider in this county. When it comes to the environment, both of these two groups had to perform similar things. She is hoping to see some efficiency actions taken only once through this program. She said that the Water District took actions even before finalizing and accepting the report from the audit committee because they felt that it was important. Some of the actions taken were to integrate some of the functions of the flood control and the water supply issues. She felt that the Water District was doing a better job. She agreed that the Water District lacked a good tracking mechanism for capital projects. The Water District has been working on these issues in the last two intervening years but that she cannot measure their success. She agreed that Mayor Kennedy is right to insist that the City hold the Water District accountable. She felt that Mayor Kennedy's efforts in the past two years will result in more efforts being realized in Morgan Hill. She hopes that the City will receive the support from Gilroy because they realized the benefits from the last benefits assessment district. She recommended that the City of Morgan Hill reach out to the Gilroy City Council and tell them how important this bond measure is to Morgan Hill.

Mr. Fiedler said that one thing that resulted from the audit and the restructure is a CIP manager who is overseeing the capital improvement programs as part of audit recommendation. Also, the Water District has organized its management by water shed which includes a manager for the south and east zones in order to provide service and become more responsive. One concern raised by the business community is that the Water District establish an oversight committee to make sure that the funds are

being managed and spent appropriately.

Action: *On a motion by Council Member Sellers and seconded by Mayor Pro Tempore Tate, the City Council unanimously **Adopted** Resolution No. 5382 of Support.*

10. CONSIDERATION OF CITY COUNCIL REPRESENTATION ON PARKS, FACILITIES, AND RECREATION PROGRAMMING MASTER PLAN TASK FORCE

Interim City Manager Tewes presented the staff report.

Council Member Cook inquired if the City Council Liaison will be allowed to vote? If not, she stated that she would not want to serve as a liaison.

Council Member Sellers did not know if it made sense to have Council participation on a formal basis unless the Parks and Recreation Commission requests formal Council participation.

Council Member Chang stated that it would be the role of the City Council Liaison to report back to the City Council as to the progress being made on the Parks Master Plan. She did not see this as a decision making process.

Council Member Sellers suggested that the City Council not appoint a formal representative but that the Council encourage each other to attend meetings whenever attendance is appropriate.

Council Member Cook suggested that staff or the chair of the Parks and Recreation Commission periodically present the City Council an update every couple of months or when they have reached an important decision point.

Mayor Kennedy supported receiving a progress report to be presented to the City Council or that a joint meeting with the Parks & Recreation and/or Planning Commission be held similar to the joint meeting held with the General Plan Update Committee. He noted that Mayor Pro Tempore Tate serves on the Joint Powers Library Authority, Council Members Chang and Cook serve on the General Plan Update Committee, and that Mayor Pro Tempore Tate and Council Member Sellers both serve on the City-School Liaison Committee but that he was not aware of other committees/commissions that have a City Council representative serving on said committee/commission. He felt that it would be good to have a council member serve as a liaison to the Master Plan Task Force.

Council Member Chang stated that she would be willing to serve as the City Council's liaison to the Parks Master Plan Task Force.

Mayor Pro Tempore Tate agreed that there is a need to have a City Council liaison serve on the Master Plan Task Force.

Council Member Sellers felt that the Council should take an interest and become involved in the Parks Master Plan.

Council Member Cook suggested that the Council rotate the City Council liaison representation after a period of time.

Action: *On a motion by Council Member Cook and seconded by Council Member Sellers, the City Council unanimously (5-0) **approved** the Mayor's appointment of Council Member Chang to serve as the City Council's liaison to the Parks, Facilities and Recreation Programming Master Plan Task Force.*

Council Member Cook inquired whether the City Council will also be considering appointing a City Council liaison to the Police and Fire Master Plan?

Mayor Pro Tempore Tate indicated that he has agreed to serve as the City Council's liaison to the Police and Fire Master Plan.

Mayor Kennedy requested that the appointment of Mayor Pro Tempore Tate as the City Council's liaison to the Fire and Safety Master Plan committee.

11. DISCUSSION REGARDING THE ESTABLISHMENT OF A LEGISLATIVE SUBCOMMITTEE TO REVIEW AND RESPOND TO LEGISLATIVE BILLS OR ISSUES OF CONCERNS ON BEHALF OF THE CITY

Interim City Manager Tewes presented the staff report and recommended that the City Council adopt a "Legislative Platform" annually that states the City's objectives for pending legislation that it would support or oppose and to provide some broad guidelines. During the course of a legislative session, it would be staff's responsibility to check the legislative bills against the adopted platform to determine whether there are any significant issues being raised or a bill that should be supported. He felt that it would be appropriate to appoint a two-person subcommittee of the City Council to work with staff to develop a legislative platform, review bills from time to time, and to help give the City Council the benefit of elected official advice as the city proceeds through the legislative process. It would be appropriate to bring to the City Council, in the fall before the legislature gets back to work in January, bills that are introduced against the platform adopted and bring to the City Council recommendations for specific actions based on specific input from the legislative subcommittee.

Council Member Sellers stated that he would be willing to serve on the legislative subcommittee if one is to be formed. He felt that Morgan Hill is somewhat unique because we have a separately elected mayor. He encouraged that the Mayor be the other member in the subcommittee and that the City Council continue to allow the Mayor as much latitude as possible in helping to make pronouncement on behalf of the City as he would hate to see the City lose time or have its voice lost because the City was not able to respond quickly enough.

Council Member Tate concurred with Council Member Sellers' comments. He felt that there are issues that come up only to have three days to respond. He did not believe that staff can respond

without the input of the legislative committee.

Mayor Kennedy said that the Cities Association is often faced with the dilemma of having to respond on an issue within a short period of time. The Association delegates the issue to the executive committee who conducts a phone vote if the issue is urgent enough. He felt that the City Council can delegate some issues to the subcommittee to act upon, yet preserve the right to receive a phone vote, if possible.

Interim City Attorney Siegel said that it would be difficult to conduct a telecommunicative vote. He indicated that there is a difference between the Cities Association and the City Council as a publicly elected body. He did not believe that statute or the Brown Act would allow for more than a two-member subcommittee but that he would further research this issue.

Council Member Chang asked how many bills would be reviewed each year by the City Council? She stated that she previously attended committee meetings and noted that there are a lot of bills that affect the city.

Council Member Sellers responded that the Cities Association tries to monitor every bill that might do not have an affect on municipalities.

Mayor Kennedy said that the League of California Cities has several bills that are on their list for recommendation of support or opposition. He felt that there a lot of bills on this list recommending action, support, or opposition in some way. There are other agencies or local groups that have measures that they would like support. Therefore, the City Council can spend a lot of time reviewing pending legislation.

Council Member Sellers indicated that the League of California Cities produces a Legislative Bulletin weekly via their web site.

Council Member Chang stated that she would support the creation of a legislative review committee. However, if issues do not concern or involve the city, she did not know if there a need for city involvement.

Mayor Kennedy said that most bills affect the city in one way or another. He felt that a legislative subcommittee can do a better job of reviewing bills that are important to the city. He supported the adoption of a platform policy as recommended by the City Manager in order for the city to do a better job protecting the community's interest. He supported staff's recommendation of adopting policies of what is important and what bills should be reviewed.

Council Member Cook supported having an annual platform to have something to measure against. She expressed concern with the Mayor going off and writing his own support letters as this is not one of the powers that a general law city gives to the mayor as this is the responsibility of a City Council. She was uncomfortable with the subcommittee taking a stand in the name of the City Council.

Mayor Kennedy clarified that this is not being suggested. He stated that there may be times that a special meeting may be required if an issue is urgent and important.

Council Member Sellers stated that he sees one of the charges of the legislative subcommittee to bring important issues before the City Council.

Action: *By consensus the City Council agreed to direct staff to establish a legislative subcommittee consisting of Mayor Kennedy and Council Member Sellers and that an annual legislative platform be established.*

SECOND READING OF ORDINANCE:

Action: *On a motion by Mayor Pro Tempore Tate and seconded by Council Member Sellers, the City Council adopted Ordinance No. 1475, New Series as follows:*

12. ADOPT ORDINANCE NO. 1475, NEW SERIES

An Ordinance of The City Council of The City of Morgan Hill Approving a Zoning Amendment to Change the Zoning from Highway Commercial to Planned Unit Development and to Establish a Precise Development Plan for the Site. APN 726-33-001 (Application ZA-99-10: Cochrane-Tharaldson Development Company) by the following roll call vote: AYES: Chang, Cook, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

City Council/Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Council Member/Vice-chairman Sellers and seconded by Mayor Pro Tempore/Agency Member Sellers, the City Council/Agency Commission unanimously (5-0) approved consent calendar items 13-16 as follows:*

13. ACQUISITION OF 17315 SERENE DRIVE, A BMR HOUSING UNIT, FROM LENDER

Action: *1) Authorized the Interim Executive Director/City Manager to Negotiate, Prepare, and Execute a Purchase Agreement with Downey Savings and Loan Association or its Agent in an Amount Not to Exceed \$150,000 for the Purchase, Repair and Resale of 17315 Serene Drive, a BMR Housing Unit, and 2) Authorized the Interim Executive Director/City Manager to Do Everything Necessary to Sell the Unit to a BMR Buyer in Accordance with Program Guidelines.*

14. SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF APRIL 5, 2000

Action: *Approved the minutes as submitted.*

15. SPECIAL CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY CLOSED SESSION MEETING MINUTES OF APRIL 5, 2000

Action: Approved the minutes as submitted.

16. REGULAR AND SPECIAL REDEVELOPMENT AGENCY AND SPECIAL CITY COUNCIL MEETING MINUTES OF APRIL 26, 2000

Action: Approved the minutes as submitted.

City Council/Redevelopment Agency Action

CLOSED SESSION:

Interim City Attorney/Agency Counsel Siegel announced the following closed session items:

1

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Legal Authority:	Government Code 54956.8 & 54956.9(c) (1 potential case)
Real Property(ies) involved:	APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Mission View and Cochrane Road; and APN 728-31-009 - 12.88 acres located on the southeast corner of Cochrane and Highway 101 (St. Louise Hospital property)
City Negotiators:	Agency Members; Interim Executive Director; Interim Agency Counsel; and F. Gale Conner, special counsel
Closed Session Topic:	Potential Litigation

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CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to subdivision (b)(3)(E) of Government Code Section 54956.9: (1 case)

Attendees: Agency Board; Interim Executive Director; Interim Agency Counsel; Director of Business Assistance and Housing Services; Chief of Police, and William Strausz, special counsel

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Kennedy opened the closed sessions to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to closed session at 9:40 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 10:05 p.m.

CLOSED SESSION ANNOUNCEMENT:

Interim City Attorney/Agency Counsel Siegel announced that no reportable action was taken on the above listed closed session items.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 10:05 p.m.

MINUTES RECORDED AND PREPARED BY:

Irma Torrez, City Clerk